

ORIGINAL DATE: 4-24-2020

To All Auto Parts Suppliers and Service Providers,

The U.S. Senate and House of Representatives passed legislation to add \$321 billion in additional funds to the Paycheck Protection Program (PPP) and \$60 billion to the SBA's Economic Injury Disaster Loan (EIDL) program. Due to strong demand, all Part Stores and Service Providers should quickly apply for the loan program that is the best fit for your company. If you're not sure which program will fit your needs [**CLICK HERE**](#) for a loan comparison guide.

Loans previously submitted do not need to be resubmitted; however we encourage anyone that has submitted an application to check with your lender.

For anyone applying for a new loan you must apply NOW. On the last round the availability of funds ran out quickly.

The U.S. Small Business Administration (SBA) guarantees loans for small businesses through the PPP that equal up to 250% of a company's monthly payroll (capped at \$10 million), which can be used to cover payroll, mortgage, rent and other specified expenses. PPP loans offer favorable terms (1% interest rate, no collateral or personal guarantee requirements, no borrower or lender fees and no payments for six months). The SBA will forgive that portion of the loan used to cover payroll, mortgage interest, rent payments and the cost of utilities for the first eight weeks if small businesses retain their employees and payroll levels.

It is recommended that applicants work with a bank where they have an existing relationship when applying for PPP loans, as there are reports that many banks are not providing loans to businesses they haven't worked with previously. Borrowers may find eligible lenders through the SBA's webpage, which brings up local financial institutions offering PPP loans.

The EIDL provides loans of up to \$2 million at 3.75% and is funded directly through the SBA rather than the bank. The SBA reportedly limited initial loans under the EIDL program to \$25,000 to \$35,000 or less as a result of resource constraints, but the \$60 billion in funds Congress authorized to be added to the program should translate into larger loans for small businesses. Loans may be used to retain employees, address interrupted supply chains, make rent or mortgage payments and pay other bills. The first \$10,000 of the loan is a grant that does not need to be repaid. If a company later receives a PPP loan, the grant will be applied to amounts forgiven under the PPP loan.

For more information on PPP, EIDL, and other federal programs related to COVID-19, check out resources at www.sba.gov/.